Annual Financial Statements

for

KWASANI LOCAL MUNICIPALITY

for the year ended 30 June: ***2012***

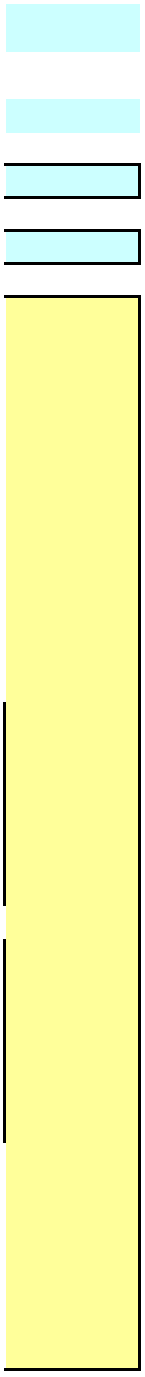
Province: KwaZulu Natal

AFS rounding: ***R (i.e. only cents)***

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KWASANI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2012

General information

Members of the Council

Mr M Banda	**Mayor**
Mr M Banda	**Speaker**
	Member of the Executive Committee
	Member of the Executive Committee
Cllr VP Majozi	Member
Cllr SB Mqwambi	Member
Cllr PN Mncwabe	Member
Cllr EZ Radebe	Member
Cllr D Adam	Member
Cllr PR Crawley	Member

Municipal Manager

W. Dlamini

Chief Financial Officer

N Q Mzimela

Grading of Local Authority

Grade 1

Auditors

Auditor-General

Bankers

First National Bank of Suth Africa Ltd

General information (continued)

Registered Office:	Kwa Sani Municipality
Physical address:	32 Arbuckle Street Himeville 3256
Postal address:	**PO Box 43** Himeville 3256
Telephone number:	033 702 1060
Fax number:	033 702 1148
E-mail address:	mm@kwasani.co.za

KWASANI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2012

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages x to x, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.
I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in **note 22** of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager:

DATE

KWASANI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2012

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KWASANI LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION
as at 30 June 2012

	Note	2012 R	Restated 2011 R
ASSETS			
Current assets			
Cash and cash equivalents	1	2 396 418	767 282
Trade and other receivables from exchange transactions	2	5 371 445	4 593 551
Other receivables from non-exchange transactions	3	44 829	46 049
Inventories	4	6 485	6 485
Investments	5	20 386 346	12 314 260
VAT receivable	10	821 094	660 065
Non-current assets			
Property, plant and equipment	6	65 725 316	57 755 311
Total assets		**94 751 933**	**76 143 003**
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	8	10 070 373	7 362 385
Consumer deposits	9	6 406	6 406
Current provisions	11	2 732 964	2 526 458
Bank overdraft	1		69 207
Current portion of unspent conditional grants and receipts	12	10 917 664	3 383 321
Current portion of borrowings	13	118 619	321 661
Current portion of finance lease liability	14	707 941	532 417
Non-current liabilities			
Non-current unspent conditional grants and receipts	12		
Non-current borrowings	13	2 390 292	1 761 068
Non-current finance lease liability	14	843 030	1 558 725
Defined benefit plan obligations	35	401 132	389 102
Total liabilities		**28 188 421**	**17 910 750**
Net assets		**66 563 512**	**58 232 253**
NET ASSETS			
Reserves		-	-
Accumulated surplus / (deficit)		(66 563 512)	(58 232 253)
Total net assets		-	-

KWASANI LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE

for the year ending 30 June 2012

	Note	2012 R	2011 R
Revenue			
Property rates	15	10 000 680	8 938 791
Property rates - penalties imposed and collection charges	15	784 228	1 035 705
Service charges	16	1 925 370	1 799 798
Rental of facilities and equipment	17	241 652	220 489
Interest earned - external investments	18	819 568	479 529
Interest earned - outstanding receivables		-	-
Fines		124 850	92 400
Licences and permits		-	
Government grants and subsidies	19	22 833 053	22 225 752
Other income	20	623 125	864 290
Total revenue		**37 352 525**	**35 656 753**
Expenses			
Employee related costs	21	12 168 671	10 414 302
Remuneration of councillors	22	995 430	721 702
Bad debts		439 125	139 178
Collection costs		-	-
Depreciation and amortisation expense		1 842 342	1 473 102
Repairs and maintenance		1 814 577	312 473
Finance costs	24	185 384	140 959
Contracted services	25	4 173 266	3 505 500
General expenses	26	8 381 008	16 013 829
Total expenses		**29 999 803**	**32 721 044**
Gain / (loss) on sale of assets	27	77 858	41 514
Actuarial Gain / (loss)			3 418
Surplus / (deficit) for the period		**7 430 580**	**2 980 641**

KWASANI LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS

as at 30 June 2012

	Capital Redemtion Reserve	Accumulated Surplus/(Deficit)	Total: Net Assets
Opening Balance	**85 595**	(4 690 882)	(4 605 287)
Transfers to accumulated surplus (GRAP conversion)		(54 697 590)	(54 697 590)
Prior year error (Note 30)		4 051 265	4 051 265
Surplus / (deficit) for the period		(2 980 641)	(2 980 641)
Balance at 30 June 2011	**85 595**	**(58 317 848)**	**(58 232 253)**
Transfers to / from accumulated surplus/(deficit)		(900 679)	(900 679)
Surplus / (deficit) for the period		(7 430 580)	(7 430 580)
Balance at 30 June 2012	**85 595**	**(66 649 107)**	**(66 563 512)**

KWASANI LOCAL MUNICIPALITY
CASH FLOW STATEMENT
as at 30 June 2012

	Note	2012 R	2011 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		20 372 730	38 742 931
Taxation			
Sales of goods and services		12 951 930	11 994 782
Grants		22 833 053	22 225 752
Interest received		819 568	479 529
Other receipts		747 975	956 690
Movement in Receivables		(16 979 795)	3 086 177
Payments		17 440 665	31 981 501
Employee costs		13 164 101	11 136 004
Suppliers		12 554 274	19 519 329
Interest paid		185 384	140 959
Other payments		1 814 577	312 473
Movement in Payables		**(10 277 671)**	**872 737**
Net cash flows from operating activities	28	**2 932 065**	**6 761 429**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets (PPE)		(10 341 122)	(6 345 279)
Proceeds from sale of fixed assets			
Proceeds from sale of investments		8 072 416	858 546
Purchase of intangibles			
Decrease/(Increase) in Loans and receivables		161 029	
Net cash flows from investing activities		**(2 107 677)**	**(5 486 733)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		804 748	
Repayment of borrowings			(1 614 406)
Proceeds from finance lease liability			
Repayment of finance lease liability			
Net cash flows from financing activities		**804 748**	**(1 614 406)**
Net increase / (decrease) in net cash and cash equivalents		1 629 136	(339 710)
Net cash and cash equivalents at beginning of period		767 282	1 106 993
Net cash and cash equivalents at end of period	29	**2 396 418**	**767 282**

KWASANI LOCAL MUNICIPALITY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
for the year ending 30 June 2012

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 PRESENTATION CURRENTY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plan and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.2 SUBSEQUENT MEASUREMENT - REVALUATION MODEL (LAND AND BUILDINGS)

Subsequent to initial recognition, land and buildings are carried at a revalued amount, being its fair value at the date of revalutaion less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revalutation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

2.3 SUBEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.4 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets.Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure	
Roads and Paving	10-25 yrs
Pedestrian Malls	10-25 yrs
Sewerage	10-25 yrs
Community	
Buildings	30yrs
Recreational Facilities	30yrs
Security	30yrs
Halls	30yrs
Libraries	30yrs
Parks and gardens	30yrs
Other assets	30yrs
Heritage assets	
Buildings	30yrs
Finance lease assets	
Office equipment	5yrs
Other assets	
Other Property, plant and equipment	**2-15yrs**
Specialist vehicles	
Other vehicles	
Office equipment	
Furniture and fittings	
Bins and containers	
Other items of plant and equipment	
Computer equipment	
Other	
Landfill sites	20yrs

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

2.5 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitlised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amoritisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software	3-5yrs

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in acounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 INVESTMENT PROPERTY

4.1 INITIAL RECOGNITION

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

4.2 SUBSEQUENT MEASUREMENT - COST MODEL

Investment property is measured using the cost model. Under the cost model, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Investment property	30yrs

4.2 SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

5 NON-CURRENT ASSETS HELD FOR SALE

5.1 INITIAL RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

5.2 SUBSEQUENT MEASUREMENT

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

6 INVENTORIES

6.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

6.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

7 FINANCIAL INSTRUMENTS

7.1 INITIAL RECOGNITION

Financial instruments are intitally recognised at fair value.

7.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

7.2.1 INVESTMENTS

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

7.2.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

7.2.3 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liaibilities held at amortised cost, are intitially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

7.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilties carried at amortised cost.

8 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The municipality exercises judgement in the context of all available information to determine if it has significant influence over an investee.

The equity method involves recognising the investment initially at cost, then adjusting for any change in the investor's share of net assets of the associate since it acquired it. A single line-item in the Statement of Financial Performance presents the investor's share of the associate's surplus or deficit for the year.

The municipality commences accounting for an investment in an associate from the date that significant influence exists and discontinues the application of the equity method when it no longer has significant influence over an associate. Investments that are retained in whole or in part are subsequently accounted for in accordance with the accounting policies on subsidiaries, joint ventures or financial instruments depending on the nature of the retained investment.

The municipality uses the most recent available financial statements of the associate in applying the equity method. Where the reporting periods of the associate and the municipality are different, separate financial statements for the same period are prepared by the associate unless it is impracticable to do so. When the reporting dates are different, the municipality makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the different reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the municipality.

9 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

10 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

11 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

12 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met: (a) The municipality has a detailed formal plan for the restructuring identifying at least: - the business or part of a business concerned; - the principal locations affected; - the location, function, and approximate number of employees who will be compensated for terminating their services; - the expenditures that will be undertaken; and - when the plan will be implemented; and
(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

13 LEASES

14.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

14.2 MUNICIPALITY AS LESSOR

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

14 REVENUE

15.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

15.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

15.3 GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

15 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

16 EMPLOYEE BENEFITS

16.1 SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

16.2 RETIREMENT BENEFITS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

17 IMPAIRMENT OF ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municpality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:
- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

MFMA & standards ref:

REFERENCE

KWASANI LOCAL MUNICIPALITY
NOTES TO THE FINANANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	Restated 2011 R	
1 CASH AND CASH EQUIVALENTS				*IAS 39*
Cash and cash equivalents consist of the following:				
Cash on hand		1 391	1 983	
Cash at bank		2 395 027	696 092	
		2 396 418	698 075	
The Municipality has the following bank accounts: -				
Current Account (Primary Bank Account)				*MFMA S125 (2) (a)*
First National Bank Limited - Underberg branch - Account number 62026224999				
Cash book balance at beginning of year		(69 207)	145 331	
Cash book balance at end of year		1 616 862	(69 207)	
Bank statement balance at beginning of year		(79 294)	144 438	
Bank statement balance at end of year		1 616 862	(79 294)	
Business cheque account				
First National Bank Limited - Underberg branch - Account number 62026225046				
Cash book balance at beginning of year		674 497	872 757	
Cash book balance at end of year		687 362	674 497	
Bank statement balance at beginning of year		872 258	872 258	
Bank statement balance at end of year		687 362	674 496	
Business cheque account				
Standard Bank Limited - Pietermaritzburg branch - Account number 0520700336				
Cash book balance at beginning of year		86 964	86 964	
Cash book balance at end of year		86 964	86 964	
Bank statement balance at beginning of year		86 964	86 964	
Bank statement balance at end of year		86 964	86 964	
Cash on hand		5 229	5 821	
Total cash and cash equivalents		**2 396 417**	**767 282**	
Total bank overdraft		**-**	**(69 207)**	
		2 396 417	**698 075**	

MFMA & standards ref:

REFERENCE

KWASANI LOCAL MUNICIPALITY
NOTES TO THE FINANANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	Restated 2011 R

2	Gross Balances	Provision for Doubtful Debts	Net Balance	*GRAP 1*
Trade receivables	**R**	**R**	**R**	*IAS 39*
as at 30 June 2012				
Service debtors				
Rates	5 673 194	(2 047 451)	3 625 743	
Sewerage	-	-	-	
Refuse	632 317	-	632 317	
Other Debtors			-	
Total	**6 305 512**	**(2 047 451)**	**4 258 060**	
		-		
Other receivables	1 113 385	**-**	1 113 385	
Total Trade and other receivables	**7 418 897**	**(2 047 451)**	**5 371 445**	
as at 30 June 2011				
Service debtors				
Rates	4 558 950	(1 608 327)	2 950 623	
Refuse	458 915	-	458 915	
Other Debtors		-	-	
Total	**5 017 865**	**(1 608 327)**	**3 409 539**	
		-		
Other Receivables	1 184 012	-	1 184 012	
Total Trade and other receivables	**6 201 877**	**(1 608 327)**	**4 593 551**	

Rates: Ageing		
Current (0 – 30 days)		
31 - 60 Days	496 507	67 785
61 - 90 Days	362 347	412 482
91 - 120 Days	351 120	279 800
121 - 365 Days	393 550	264 463
+ 365 Days	4 954 257	4 417 064
Total	**6 557 781**	**5 441 594**
Refuse: Ageing		
Current (0 – 30 days)		
31 - 60 Days	107 200	36 185
61 - 90 Days	73 272	98 812
91 - 120 Days	78 629	69 624
121 - 365 Days	56 431	59 840
+ 365 Days	545 584	495 822
Total	**861 116**	**760 283**

2010/2011 : Aging Per Category	**Government**	**Business**	**Households**	**Other**	**Total**
Current (0 – 30 days)	4 831			496 260	501 091
31 - 60 Days	43 383	142 422	397 741	77 748	661 294
61 - 90 Days	26 259	90 039	326 010	57 116	499 424
91 - 120 Days	15 653	95 418	346 628	52 127	509 826
121 - 365 Days	87 937	1 300 507	2 478 709	163 089	4 030 242
Total	**178 063**	**1 458 099**	**2 836 730**	**846 340**	**6 201 877**

2011/12 : Aging Per Category	**Government**	**Business**	**Households**	**Other**	**Total**
31 - 60 Days	5 698	-	-	186 397	674 025
61 - 90 Days	11 140	161 624	240 386	100 685	850 146
91 - 120 Days	15 097	115 135	163 624	70 936	608 920
121 - 365 Days	520 198	446 953	871 161	4 509 862	5 285 806
Total	**552 133**	**723 712**	**1 275 171**	**4 867 880**	**7 418 896**

KWASANI LOCAL MUNICIPALITY
NOTES TO THE FINANANCIAL STATEMENTS
for the year ended 30 June 2012

	Note	2012 R	Restated 2011 R	*MFMA & standards ref:* REFERENCE
2 Reconciliation of the doubtful debt provisior				
Balance at beginning of the year		1 608 326	1 644 760	
Contributions to provision		439 126	139 177	
Doubtful debts written off against provision		-	(175 611)	
Reversal of provision		-	-	
Balance at end of year		**2 047 452**	**1 608 326**	
3 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS				*IAS 39*
Deposits held - Petrol		32 600	32 600	
Deposits held - Petrol		12 229	13 449	
Prepayments (if not material)		-	-	
Total Other Debtors		**44 829**	**46 049**	
				IAS 39 *GRAP 12*
4 INVENTORIES				
Opening balance of inventories:		**6 485**	**6 485**	
Spare parts		6 485	6 485	
Closing balance of inventories:		**6 485**	**6 485**	
Spare parts		6 485	6 485	
5 INVESTMENTS				*IAS 39* *MFMA S125 (2) (b)*
Deposits		20 386 346	12 314 260	
Call investments		-	-	
		20 386 346	**12 314 260**	

6 PROPERTY, PLANT AND EQUIPMENT

6.1 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R	R
as at 1 July 2011	**29 387 000**	**11 174 655**	**7 275 307**	**7 563 578**	**-**	**1 342 443**	**1 012 329**	**57 755 311**
Cost/Revaluation	29 387 000	11 781 956	13 836 614	8 344 555	-	2 651 350	1 067 778	67 069 253
Correction of error (note 48)								-
Change in accounting policy (note 47)								-
Accumulated depreciation and impairment losses	-	(607 301)	(6 561 307)	(780 978)	-	(1 308 907)	(55 449)	(9 313 942)
Acquisitions	-	1 107 302	5 984 476	2 348 745	-	871 976	27 782	10 340 281
Capital under Construction	-	-	307 044	-	-	-	-	307 044
Depreciation	-	(376 450)	(574 646)	(312 065)		(365 625)	(213 556)	(1 842 342)
Carrying value of disposals	**-**	**-**	**(834 977)**	**-**	**-**	**-**	**-**	**(834 977)**
Cost/Revaluation	-	-	(834 977)	-	-	-	-	(834 977)
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Other movements*	-	-	-	-	-	-	-	-
as at 30 June 2012	**29 387 000**	**11 905 507**	**26 429 110**	**9 600 257**	**-**	**1 848 794**	**1 364 565**	**65 725 316**
Cost/Revaluation	29 387 000	12 889 258	19 293 157	10 693 300	-	3 523 325	1 095 560	76 881 601
Accumulated depreciation and impairment losses	-	983 751	7 135 953	1 093 043	-	1 674 531	269 005	11 156 285

Refer to Appendix B for more detail on property, plant and equipment App B'!A1

6.1 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R	R
as at 1 July 2010	**29 387 000**	**10 528 699**	**5 809 824**	**4 418 589**		**1 159 586**	**106 333**	**51 410 031**
Cost/Revaluation	29 387 000	11 136 000	12 371 131	5 199 567		2 468 493	161 782	60 723 973
Correction of error (note 48)								-
Change in accounting policy (note 47)								-
Accumulated depreciation and impairment losses	-	(607 301)	(6 561 307)	(780 978)		(1 308 907)	(55 449)	(9 313 942)
Acquisitions	-	645 956	431 012	3 144 988	-	182 857	905 996	5 310 808
Capital under Construction	-		1 034 471	-	-	-	-	1 034 471
Depreciation	-	-	-	-	-	-	-	-
Carrying value of disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cost/Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
*Other movements	-	-	-	-	-	-	-	-
as at 30 June 2011	**29 387 000**	**11 174 655**	**7 275 307**	**7 563 578**		**1 342 443**	**1 012 329**	**57 755 311**
Cost/Revaluation	29 387 000	11 781 956	13 836 614	8 344 555		2 651 350	1 067 778	67 069 253
Accumulated depreciation and impairment losses		607 301	6 561 307	780 978		1 308 907	55 449	9 313 942

*Other movements consist of

Refer to Appendix B for more detail on property, plant and equipment App B'!A1

	2012 R	Restated 2011 R
7 NON-CURRENT ASSETS HELD FOR SALE		
Investment property	20 814 602	20 988 000
	20 814 602	**20 988 000**
7.1 DETAILS OF PROPERTY		
Airfield	9 968 000	9 968 000
Sisonke Offices	8 420 000	8 420 000
Underberg Clinic	2 426 602	2 600 000
	20 814 602	**20 988 000**

Rental income from investment property (recognised in surplus for the year)

Airfield
The municipality leases the airfield to 5 private individuals. The lease agreement was entered into on 1 March 2006 for a 3 year period. It has been extended for a further 3 years and terminates on the 28 February 2012. Lease rentals for the airfield escalate at a rate of 10% per annum.

Sisonke offices
The municipality leases buildings to Sisonke District Municipality. This is a yearly contract that is renewable by 3 months notice by either party. Lease rentals escalate at a rate of 12% per annum.

Clinic
The municipality leases the clinic building to the Provincial Department of Administration. The lease term is for a period of 5 years and commenced on the 1 November 2005. Lease rentals escalate at a rate of 8% per annum.

These leases are classified as operating lease. Refer to note 29.2 for operating lease disclosure.

Details of valuation

Investment properties are stated at fair value, which has been determined by an independent valuer, Mr IO Gordon (Professional Valuer); of Ian Gordon Property Valuers CC. Ian Ogilvie Gordon is not connected to the municipality and has recent experience in location and category of the investment property being valued. The effective date of the revaluations was 01 July 2008. The valuation was based on open market value for existing use.

8 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade creditors	3 123 817	720 513
Payments received in advance	759 582	567 993
Retentions	339 983	293 270
Sundry Creditors	484 777	699 123
Other creditors	820 439	1 034 477
Housing Projects	4 541 775	4 047 009
Total creditors	**10 070 373**	**7 362 385**
9 CONSUMER DEPOSITS		
Sisonke Deposit	6 406	6 406
Total consumer deposits	**6 406**	6 406
10 VAT RECEIVABLE		
VAT receivable	821 094	660 065
	821 094	660 065

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

	2012 R	Restated 2011 R
11 PROVISIONS		
Performance bonus	-	-
Provision for leave	709 836	986 458
Other provisions	2 023 128	1 540 000
Total Provisions	**2 732 964**	**2 526 458**

The movement in current provisions are reconciled as follows: -	Other Provisions	Provision for leave
as at 1 July 2011	2 023 128	986 458
Contributions to provision		(276 622)
Expenditure incurred	-	-
as at 30 June 2012	**2 023 128**	**709 836**
as at 1 July 2010	-	649 404
Contributions to provision	2 023 128	337 054
Expenditure incurred	-	-
as at 30 June 2011	**2 023 128**	**986 458**

	2012 R	Restated 2011 R
12 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Unspent Conditional Grants from other spheres of Government		
KwaZulu-Natal Provincial Administration Grants	2 493 355	2 151 297
Sisonke Grant - capacity building	74 515	74 515
Sisonke Grant - waste disposal Site	29 120	29 120
Sisonke Grant - shared planner	46 720	46 720
MFMA Grants	-	226 192
MSIG Grants		457 179
MIG Grants	94 284	
DBSA Grant		
Cogta Grants (Riechenau mission)	7 781 372	-
Other Unspent Conditional Grants and Receipts		
Free electricity	101 926	101 926
Free basic services	296 372	296 372
Total Unspent Conditional Grants and Receipts	**10 917 664**	**3 383 321**

	2012 R	Restated 2011 R
Current portion of unspent conditional grants and receipts		
KwaZulu-Natal Provincial Administration Grants		
Balance unspent at the beginning of the year	(2 151 297)	(2 053 783)
Current year receipts	(886 554)	(1 157 493)
Conditions met transferred to revenue	544 496	1 059 979
Conditions still to be met - remain liabilities	(2 493 355)	(2 151 297)
Sisonke Grant - capacity building		
Balance unspent at the beginning of the year	(74 515)	(74 515)
Current year receipts	-	-
Conditions met transferred to revenue		-
Conditions still to be met - remain liabilities	(74 515)	(74 515)
Sisonke Grant - waste disposal Site		
Balance unspent at the beginning of the year	(29 120)	(29 120)
Current year receipts	-	-
Conditions met transferred to revenue	-	-
Conditions still to be met - remain liabilities	(29 120)	(29 120)
Sisonke Grant - shared planner		
Balance unspent at the beginning of the year	(46 720)	-
Current year receipts	-	(256 800)
Conditions met transferred to revenue	-	210 080
Conditions still to be met - remain liabilities	(46 720)	(46 720)
MFMA Grants		
Balance unspent at the beginning of the year	(226 192)	(279 420)
Current year receipts	(1 500 000)	(1 500 000)
Conditions met transferred to revenue	1 726 192	1 553 228
Conditions still to be met - remain liabilities	-	(226 192)
MSIG Grants		
Balance unspent at the beginning of the year	(457 179)	(612 912)
Current year receipts	(790 000)	(750 000)
Conditions met transferred to revenue	1 247 179	905 733
Conditions still to be met - remain liabilities	-	(457 179)
MIG Grants		
Balance unspent at the beginning of the year	-	(3 767 537)
Current year receipts	(7 887 000)	(1 882 000)
Conditions met transferred to revenue	7 792 716	5 649 537
Conditions still to be met - remain liabilities	(94 284)	-

	2012 R	Restated 2011 R
NEP Grant - Electrification		
Balance unspent at the beginning of the year	-	-
Current year receipts	-	(7 488 000)
Conditions met transferred to revenue	-	7 488 000
Conditions still to be met - remain liabilities	-	-
Free electricity		
Balance unspent at the beginning of the year	(101 926)	(169 821)
Current year receipts		-
Conditions met transferred to revenue		67 895
Conditions still to be met - remain liabilities	(101 926)	(101 926)
Free basic services		
Balance unspent at the beginning of the year	(296 372)	(296 372)
Current year receipts	-	-
Conditions met transferred to revenue	-	-
Conditions still to be met - remain liabilities	(296 372)	(296 372)
Cogta Grants		
Balance unspent at the beginning of the year		-
Current year receipts	(9 430 000)	-
Conditions met transferred to revenue	1 648 628	-
Conditions still to be met - remain liabilities	(7 781 372)	-

KwaZulu-Natal Provincial Administration Grants
These grants were received from the KwaZulu Natal Provincial Administration and the main purpose is to assist in reporting

Sisonke Grants
These grants were received from Sisonke District Municipality for capacity building, waste disposal and providing a town

MFMA Grants
This grant is used to promote and support reforms in financial management by building capacity in municipalities to

Municipal Systems Improvement Grant (MSIG)
This grant is used for infrastructure, capacity building and restructuring. The capacity building and restructing grants were set

Municipal Infrastructure Grant (MIG)
This grant is used to address backlogs in municipal infrastructure required for the provision of basic services.

DBSA Grant
This grant was provided by the Development Bank of South Africa to assist in the development of rural areas.

NEP Grant - Electrification
This grant was provided by Eskom to municipalities to address the electricity backlog of occupied residential dwellings, the

	2012 R	Restated 2011 R

Free electricity
This grant is used to subsidise the provision of electricity services to indigent community members.

Free basic services
This grant is used to subsidise the provision of basic services to indigent community members.

Cogta Grants (Small Town Rehabilitation & Reichenau)
Cogta grants in regards of Small Town Rehabilitation and Richenau Projects

13 BORROWINGS

Government Loans : DBSA LOAN	2 082 729	2 404 390
Other borrowings (FNB Loan)	544 801	-
	2 627 530	**2 404 390**
Less : Current portion transferred to current liabilities	(118 619)	(321 661)
Local Registered Stock Loans	-	-
Annuity Loans	-	-
Government Loans : DBSA	(118 619)	(321 661)
Other borrowings		-
Total borrowings	**2 508 911**	**2 082 729**

Refer to Appendix A for more detail on borrowings.

14 FINANCE LEASE LIABILITY

2012	**Future finance charges**	**Present value of minimum lease payments**
Amounts payable under finance leases	**R**	**R**
14.1 Within one year	156 963	707 941
Within two to five years	236 048	843 029
	393 011	**1 550 971**
Less: Amount due for settlement within 12 months (current portion)		707 941
		843 030

The average lease term is 5years and the average effective borrowing rate is 9,5%. Interest rates are fixed at the contract date. Some leases have fixed repayment terms and other escalate between 15% per annum. Obligations under finance leases are secured by the lessor's title to the leased asset.

14.2 2011	**Future finance charges**	**Present value of minimum lease payments**
Amounts payable under finance leases	**R**	**R**

		2012 R	Restated 2011 R
	Within one year	79 765	532 417
	Within two to five years	264 968	1 558 724
		344 733	**2 091 142**
14.1	Less: Amount due for settlement within 12 months (current portion)		532 417
			1 558 725

The average lease term is 5years and the average effective borrowing rate is 9,5%. Interest rates are fixed at the contract date. Some leases have fixed repayment terms and other escalate between 15% per annum. Obligations under finance leases are secured by the lessor's title to the leased asset.

15 PROPERTY RATES

Actual		
Residential	4 479 600	4 278 778
Commercial	4 924 261	4 081 571
State	596 819	578 442
Total property rates	**10 000 680**	**8 938 791**
Property rates - penalties imposed and collection charges	784 228	1 035 705
Less: Revenue Forgone		
Total	**10 784 908**	**9 974 496**
Valuations		
Residential	595 331 080	592 337 480
Commercial	428 708 000	418 759 000
State	418 735 000	100 559 000
Municipal	1 414 528 620	1 453 893 620
Total Property Valuations	**2 857 302 700**	**2 565 549 100**

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2008. Interim valuations are processed on a during the year to take into account changes in individual property values due to alterations.

	2012 R	Restated 2011 R
Rebates of 30% were granted to rates on residential properties, 30 % on agricultural properties,30% to public service infrastructure properties and 100% to public benefitorganisation properties. All properties outside Underberg & Himville urban area were granted 5% additional rebate. Rates are levied on a monthly basis		
16 SERVICE CHARGES		
Refuse removal	1 925 370	1 799 798
Total Service Charges	**1 925 370**	**1 799 798**
17 RENTAL OF FACILITIES AND EQUIPMENT		
Rental of facilities	241 652	220 489
Total rentals	**241 652**	**220 489**
18 INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	819 568	479 529
Total interest	**819 568**	**479 529**
19 GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	9 904 000	8 754 799
MIG Grant	7 792 716	2 767 127
Other Government Grants and Subsidies	5 136 337	10 703 826
Total Government Grant and Subsidies	**22 833 053**	**22 225 752**
Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive are exempt from payments of rates and refuse which is funded from the grant.		
20 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS		
Other income		
Other income	599 030	864 290
Recovery of unauthorised, irregular, fruitless and wasteful expenditure (Note 50)	24 095	-
Total Other Income	**623 125**	**864 290**
21 EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	8 937 261	7 647 279
Employee related costs - Contributions for UIF, pensions and medical aids	1 186 842	1 319 469
Travel, motor car, accommodation, subsistence and other allowances	1 083 350	-
Overtime payments	716 612	544 424
Other employee related costs	244 607	903 130
Employee Related Costs	**12 168 671**	**10 414 302**
There were no advances to employees		
Remuneration of the Municipal Manager		
Annual Remuneration	763 518	689 613
Performance- and other bonuses	-	-
Travel, motor car, accommodation, subsistence and other allowances	18 157	-
Contributions to UIF, Medical and Pension Funds	869	1 497
Total	**782 543**	**691 110**
Remuneration of the Chief Finance Officer		
Annual Remuneration	583 436	312 512
Performance- and other bonuses	34 833	-
Travel, motor car, accommodation, subsistence and other allowances	114 041	-
Contributions to UIF, Medical and Pension Funds	1 497	873
Total	**733 807**	**313 385**
Remuneration of Director Community Services		

	2012 R	Restated 2011 R
2012		
Annual Remuneration	424 163	377 101
Performance- and other bonuses	33 336	-
Travel, motor car, accommodation, subsistence and other allowances	72 109	6 576
Contributions to UIF, Medical and Pension Funds	27 029	-
Total	**556 637**	**383 677**

22 REMUNERATION OF COUNCILLORS

Executive Mayor	232 949	232 949
Deputy Executive Mayor	-	9 933
Speaker	-	-
Executive Committee Members	-	-
Councillors		
Councillors' pension and medical aid contributions	-	-
Councillors' allowances	762 481	478 820
Total Councillors' Remuneration	**995 430**	**721 702**

In-kind Benefits

The Executive Mayor is provided with an office and secretarial support at the cost of the Council.
The Executive Mayor has use of the Council owned vehicle for official duties.

23 DEPRECIATION AND AMORTISATION EXPENSE

	2012 R	Restated 2011 R
Property, plant and equipment	1 842 342	1 473 102
Total Depreciation and Amortisation	**1 842 342**	**1 473 102**

24 FINANCE COSTS

Borrowings	107 596	140 959
Finance Lease obligations	77 788	
Total Finance Costs	**185 384**	**140 959**

25 CONTRACTED SERVICES

Contracted services for:		
Internal Audit	80 033	188 267
Disaster Management	662 338	521 726
Legal Fees	426 955	347 834
Security	402 928	280 622
Refuse removal	912 090	721 674
Fire Services	987 250	779 018
Vehicle tracking	5 337	3 587
Telephone & Printing	452 408	268 798
Leases	-	181 530
Insurance	196 976	212 443
Printing	46 950	
	4 173 266	**3 505 500**

26 GENERAL EXPENSES

Included in general expenses are the following:-

	2012 R	Restated 2011 R
Advertising	225 511	362 324
Admin fees	-	512 091
Audit fees	792 689	797 909
Bank charges	35 374	32 745
Connection charges	-	152 940
Consumables	-	53 068
Entertainment	-	50 318
Fuel and oil	447 474	370 802
Local Economic development	148 531	-
Lease staff quarters	169 537	-
Membership fees	-	410
MAP	157 946	419 541
MPRA	101 948	26 468
MFMA	594 277	250 322
MSIG	492 261	1 107 986
Maguzwana Housing Expenses	2 006 042	
Postage	-	68 068
Printing and stationery	207 289	280 574
Rental of buildings	-	24 198
Other rentals	24 090	-
Rural development	-	523 353
Subscribtion & publication	124 619	115 490
Telephone cost	452 408	333 916
Training	54 683	-
Travel and subsistence	417 240	978 388
Uniforms & overalls	51 350	30 173
Water and Sanitation	60 926	81 815
Wormans compensation	201 624	
Internal Audit	356 550	
Other	1 258 640	9 440 930
	8 381 008	**16 013 829**

27 GAIN / (LOSS) ON SALE OF ASSETS

Property, plant and equipment	-	41 514
Total Gain / (Loss) on Sale of Assets	**-**	**41 514**

28 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	7 430 580	2 980 641
Adjustment for:-		
Depreciation and amortisation	1 842 342	1 473 102
(Gain) / loss on sale of assets	(77 858)	(44 932)
Contribution to provisions - non-current	-	
Contribution to provisions - current	439 125	139 178
Prior year error	-	-
Other non-cash item		
Operating surplus before working capital changes:	**9 634 189**	**4 547 989**
(Increase)/decrease in inventories	-	(6 485)
(Increase)/decrease in trade receivables	(777 895)	(797 646)
(Increase)/decrease in other receivables	1 220	(46 049)
(Increase)/decrease in VAT receivable	(161 029)	(109 330)
(Increase)/decrease in Property, Plant and equipment	(7 970 005)	3 129 816
(Increase)/decrease in investments	(8 072 086)	915 872
Increase/(decrease) in conditional grants and receipts	7 534 343	(7 845 161)
Increase/(decrease) in trade payables	2 707 989	3 611 770
Increase/(decrease) in bank overdraft	(69 207)	69 207
Increase/(decrease) in current lease liability	175 524	532 417
Increase/(decrease) in consumer deposits		6 406
Increase/(decrease) in current borrowings	(203 042)	(8)
Increase/(decrease) in current provisions	206 506	2 526 458
Increase/(decrease) in non current borrowings	629 224	(321 653)
Other liability	(703 665)	547 827
Cash generated by/(utilised in) operations	**2 932 065**	**6 761 429**

	2012 R	Restated 2011 R
29 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Bank balances and cash	2 396 418	767 282
Bank overdrafts	-	-
Net cash and cash equivalents (net of bank overdrafts)	**2 396 418**	**767 282**
30 CORRECTION OF ERROR		
During the year ended 30 June 2011 and previous years, income, expenses,assets and liabilities were incorrectly recognised/stated: -		
The comparative amount has been restated as follows:		
Closing balance 30 June 2011 per AFS		4 690 882.37
The comparative amount has been restated as follows:		
Interest on Investments		(60 306)
Bank Charges		1 970
MIG Grant Liabilty		3 245 643
National Treasury Grant Liabilty		730 856
Audit Fees Provision		(117 030)
Finance lease liability		192 452
Finance charges		98 316
Accumulated depreciation		(192 001)
Accmulated Depreciation- Emergency Equipment		38 742
Accumulated Depreciation- Buildings		741 512
Accumulated Depreciation- Computer Equipment		(10 912)
Accumulated Depreciation- Furniture & Fittings		234 799
Accumulated Depreciation- Halls		(268 241)
Accumulated Depreciation- Office Equipment		396 614
Accumulated Depreciation- Plant & Equipment		127 604
Accumulated Depreciation- Vehicles		126 863
Accumulated Depreciation- Taxi Rank		(702 272)
Depreciation		(220 552)
Buildings		(7 469 066)
Computer Equipment		10 912
Emergency Equipment		(10 912)
Furniture & Fittings		(354 824)
Halls		5 789 134
Investment properties		(20 587 156)
Land		6 467 000
Motor Vehicles		29 399
Office Equipment		(1 585 062)
Plant Machinery & Equipment		(263 266)
Airfied recognision		9 600 000
Gains on sale of assets		(41 483)
Net effect on surplus/(deficit) for the year (total adjustments)		(4 051 265)
Restated balance 30 June 2011		**639 618**
UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL		
31 EXPENDITURE DISALLOWED		
31.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure		
Opening balance	7 804 486	
Unauthorised expenditure current year	878 504	7 804 486
Approved by Council or condoned		
Transfer to receivables for recovery		
Unauthorised expenditure awaiting authorisation	**8 682 990**	**7 804 486**

Incident	**Disciplinary steps/criminal proceedings**
The municipality offered a tender to KLUS Civil CC during the financial year for the upgrading of road(Himville&Underberg).The budgeted tender amount was **R 3 670 000**, however the tender was awarded for an amount of **R 4 548 504**. Not condoned by council by year end and no disciplinary steps/ criminal proceedings taken.	

31.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance -	943 252	943 252
Fruitless and wasteful expenditure current year	91 000	
Condoned or written off by Council		
To be recovered – contingent asset (see note 55)		
Fruitless and wasteful expenditure awaiting condonement	**1 034 252**	**943 252**

Incident	**Disciplinary steps/criminal proceedings**
The municipality constructed the road (Castle- End Road) during the 2011/12 financial year financed by the MIG funding. Castle road does not have the servitude and therefore the municipality does not have the rights to build in that particular land and thus ownership is in question. The municipality therefore could not include the road in the asset register. The opening balance included the executive plenary council who were incorrectly paid as executive committe	

	2012 R	Restated 2011 R
31.3 Irregular expenditure		
Reconciliation of irregular expenditure		
Opening balance	8 432 117	1 624 038
Irregular expenditure current year	7 608 285	943 252
Condoned or written off by Council	(8 433 087)	5 864 827
Transfer to receivables for recovery – not condoned	(24 095)	
Irregular expenditure awaiting condonement	**7 583 220**	**8 432 117**

Incident	**Disciplinary steps/criminal proceedings**
Irreguar expenditure of **R 2 568 260** relates to the deviations in relation to the Supply Chain processed not followed due to emergency procurements. These are presented to council for approval.	
The amount of **R24,095** to be recovered relates to contravention of the SCM process on a tender award. Council resolved that the money will be recovered from the relevant officials and acknoledgement of debt from the officials have been obtained. This has been included as other revenue in the Statement of financial perfomance	Included irregular is the amount of**R 4 548 504** .The municipality offered a tender to KLUS Civil CC during the financial year for the upgrading of road(Himville&Underberg).The budgeted tender amount was R 3 670 000, however the tender was awarded for an amount of R 4 548 504. Not condoned by council by year end and no disciplinary steps/ criminal proceedings taken.

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE
32 MANAGEMENT ACT

32.1 Audit fees		
Opening balance	16 574	6 079
Current year audit fee	860 337	797 909
Amount paid - current year	(792 689)	(781 335)
Amount paid - previous years	(16 574)	(6 079)
Balance unpaid (included in payables)	**67 648**	**16 574**

The balance unpaid represents the audit fee for an interim audit conducted during March 2012. Invoice was received in June 2012

32.2 VAT

VAT input receivables and VAT output payables are shown in note 18. All VAT returns have been submitted by the due date throughout the year.

32.3 PAYE and UIF		
Opening balance		
Current year payroll deductions	1 670 000	1 415 663
Amount paid - current year	(1 670 000)	(1 415 663)
Amount paid - previous years		
Balance unpaid (included in payables)	**-**	**-**

32.4 Pension and Medical Aid Deductions

	2012 R	Restated 2011 R
Opening balance	-	
Current year payroll deductions and Council Contributions	1 090 442	907 217
Amount paid - current year	(1 090 442)	(907 217)
Amount paid - previous years		
Balance unpaid (included in payables)	**-**	**-**

33 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure

- Approved and contracted for	**10 567 000**	**2 641 564**
Infrastructure	10 567 000	995 789
Community		
Heritage		
Other		1 645 775
- Approved but not yet contracted for	**-**	**-**
Infrastructure		
Community		
Heritage		
Other		
Total	10 567 000	2 641 564

This expenditure will be financed from:

	2012 R	Restated 2011 R
- External Loans		506 632
- Government Grants	10 567 000	
- Own resources		2 134 932
- District Council Grants		
	10 567 000	**2 641 564**

34 Operating leases

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows:

34.1 Operating leases - lessee

Within one year	25 827	50 024
In the second to fifth year inclusive		25 827
After five years		
Total	**25 827**	**75 850**

Operating Leases consists of the following:
Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of 5years and rentals are fixed for an average of three years

34.2 Operating leases – as lessor

Minimum lease payments due		
Within one year	81 105	81 186
In second to fifth year inclusive	158 693	240 798
After five years		
Total	**239 798**	**321 984**

Operating Leases consists of the following:
The operating leases include the following:

Airfield

The municipality leases an airfield to 5 private individuals. The lease agreement was entered into on 1 March 2006 for a three year contract period. The lease was further extended for another 3 year period which ends on the 28 Febreuary 2012. Lease rentals per month are currently at 10% escalation

Telkom Lease

The municipality leases one of its buildings ERF to Telkom. The lease is for a period of 9 years, 11 months. The lease terminates on the the 30 November 2014, lease escalates annually at 8 %

Sisonke District Offices

The municipality leases building premises to Sisonke didtrict Municipality. This is a yearly contract renewable by 3 months notice by either of the parties. Lease rentals escalate at a rate of 12% annually

35 RETIREMENT BENEFIT INFORMATION

35.1 Defined contribution plan

All municipal employees belong to The Natal Joint Municipal Pension Fund (Superannuation) and The Natal Joint Municipal Pension Fund (Retirement) which are administered by the Province.

These schemes cannot be broken down per municipality, as they are considered to be multi-employer schemes and hence are treated as defined contribution schemes by the municipality.

Municipal employees are also members of the KwaZulu Natal Municipal Provident Fund. All contributions have been included in the employee related cost note.

35.2 Long Service Awards

Independent valuers, ARCH actuarial consulting, carried out a statutory valuation on an annual basis
The principal actuarial assumptions used were as follows:

Discount rate per annum	7.90%	7.90%
General Salary Inflation (Long term)	6.29%	6.29%
Net effective discount rate	1.52%	1.52%
Examples of mortality rates used were as follows:		
Average retirement age	63	63
Mortality during employment	SA85-90	SA85-90
Members withdrawn from services: (Average for males and females)		
Age 20	20%	20%
Age 30	15%	15%
Age 40	6%	6%
Age 50	2%	2%
Age 55+	0%	0%
The amounts recognised in the Statement of Financial Position were determined as follows:		
Present value of funded obligations	401 132	389 102

	2012 R	Restated 2011 R
Fair value of plan assets	-	-
Liability in the Statement of Financial Position	401 132	389 102

Movements in the defined benefit obligation is as follows:

Balance at beginning of the year	389 102	348 250
Current service cost	57 393	60 177
Interest cost	32 060	24 997
Benefit payments	435	(40 904)
Actuarial (gains)/losses	(77 858)	(3 418)
Balance at end of year	401 132	389 102

The amounts recognised in the Statement of Financial Performance were as follows:

In conclusion:

Statement of Financial Position obligation for:		
Post-employment medical benefits	N/A	N/A
Long Services Award.	401 132	389,432
	401 132	389,432
Statement of Financial performance obligation for:		
Post-employment medical benefits loss	N/A	N/A
Long Service Award loss	77 858	3 418
	77 858	3 418
Additional retirement costs.		-
	77 858	3 418

36 CONTINGENT LIABILITY

	2012 R	Restated 2011 R
Claim for damages - Termination of agreement		
The Municipality might be going through an arbitration regarding a breach of contract for Community watch association. Council is contesting the claim based on legal advice. A court date has not yet been set. The contingent liability includes legal costs of R114,000 (VAT inclusive). Should Council be unsuccessful in defending the claim, there is a possibility that the claim will be settled from R1,48 Million. According to our lawyers the probability is that the municipality will loose the case as the obligation per signed contract stands.	1 594 000	

37 RISK MANAGEMENT

Maximum credit risk exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Financial assets exposed to credit risk at year end were as follows

Investments		
Cash and cash equivalents	20 386 346	12 314 260
Trade and other receivables	2 396 418	767 282
	22 782 764	**13 081 543**

These balances represent the maximum exposure to credit risk.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.
Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.
The municipality's financial liabilities are all classified as current liabilities, payable within the next 12 months, other than the long term portion of borrowings which has a non-current portion.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date.	Not later than one year	Later than one to five years
Borrowings	118 619	2 390 292

Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates.

At year end, financial instruments exposed to interest rate risk were as follows:		
- Annuity loan	2 508 911	2 082 729
- Investments		

KWASANI LOCAL MUNICIPALITY

APPENDIX A

SCHEDULE OF EXTERNAL LOANS

as at 30 June 2012

EXTERNAL LOANS	Loan number	Redeemable Date	Balance at 30 June 2011	Received during the period	Redeemed / written off during the period	Balance at 30 June 2012	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MFMA
			R	R	R	R	R	R
LONG-TERM LOANS								
Stock Loan @ x% 2								
Stock Loan @ x% 3								
Stock Loan @ x% 4								
Stock Loan @ x% 5								
Stock Loan @ x% 6								
Stock Loan @ x% 7								
Stock Loan @ x% 8								
Total long-term loans								
PPE Loan (Motor Vehicles								
First National Bank 9,85%(Prime + 1,35)			-	548 709	3 908	544 801	462 005	
GOVERNMENT LOANS								
DBSA LOAN @ 5%			2 082 729	-	118 619	1 964 110		
Total Government Loans								
TOTAL EXTERNAL LOANS			2 082 729	548 709	122 527	2 508 911		

KWASANI LOCAL MUNICIPALITY

APPENDIX B

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT

as at 30 June 2012

	Cost / Revaluation					Accumulated Depreciation							
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance	Transfers	Other movements	Carrying Value
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land													
Land	29 387 000	-	-		29 387 000	-	-	-	-	-	-	-	29 387 000
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-
	29 387 000	-	-	-	29 387 000	-	-	-	-	-	-	-	29 387 000
													-
Buildings	11 781 956	1 107 302	-	-	12 889 258	607 301	376 450	-	-	983 751	-	-	11 905 507
													-
Infrastructure													-
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	10 553 974	6 048 552	-	-	16 602 526	5 545 991	469 155	-	-	6 015 146	-	-	10 587 380
Sewerage Mains & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lights	-	135 418	-	-	135 418	-	-	-	-	-	-	-	135 418
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Station	1 364 691	-	-	-	1 364 691	825 781	68 235	-	-	894 016	-	-	470 675
Water Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	883 479	-	-	-	883 479	189 535	37 257	-	-	226 791	-	-	656 688
Under construction	1 034 471	107 550	834 977	-	307 044	-							307 044
	13 836 614	6 291 520	834 977	-	19 293 157	6 561 307	574 646	-	-	7 135 953	-	-	12 157 203
Community Assets													
Taxi Rank	1 329 008	-	-	-	1 329 008	512 737	66 450	-	-	579 188	-	-	749 820
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadiums	-	-	-	-	-	-	-	-	-	-	-	-	-
Halls	7 015 547	2 348 745	-	-	9 364 292	268 241	245 615	-	-	513 856	-	-	8 850 437
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
	8 344 555	2 348 745	-	-	10 693 300	780 978	312 065	-	-	1 093 043	-	-	9 600 257
Heritage Assets													
Historical Buildings		-	-	-	-	-	-	-	-	-	-	-	-
Paintings & Artifacts	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	63 350 125	9 747 567	834 977	-	72 262 715	7 949 587	1 263 162	-	-	9 212 748	-	-	63 049 967

KWASANI LOCAL MUNICIPALITY

APPENDIX B

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT

as at 30 June 2012

	Cost / Revaluation					Accumulated Depreciation							
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance	Transfers	Other movements	Carrying Value
	R	R	R	R	R	R	R	R	R	R	R	R	R
Total brought forward	63 350 125	9 747 567	834 977	-	72 262 715	7 949 587	1 263 162	-	-	9 212 748	-	-	63 049 967
										-			-
Other Assets										-			-
Office Equipment	552 052	6 139	-	-	558 191	423 323	82 319	-	-	505 642	-	-	52 549
Furniture & Fittings	21 294		-	-	21 294	19 679	411	-	-	20 091	-	-	1 203
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	1 710 521	844 337	-	-	2 554 858	553 945	267 200	-	-	821 145	-	-	1 733 713
Fire engines	-	-	-	-	-	-	-	-	-	-	-	-	-
Refuse tankers	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	10 912	-	-	-	10 912	10 912	-	-	-	10 912	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	356 571	21 500	-	-	378 071	301 047	15 695	-	-	316 742	-	-	61 329
	2 651 350	871 976	-	-	3 523 325	1 308 907	365 625	-	-	1 674 531	-	-	1 848 794
Finance Lease Assets													
Office Equipment	1 067 778	27 782	-	-	1 095 560	55 449	213 556	-	-	269 005	-	-	826 555
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**67 069 253**	**10 647 325**	**834 977**	**-**	**76 881 601**	**9 313 943**	**1 842 342**	**-**	**-**	**11 156 285**	**-**	**-**	**65 725 316**

APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2011

	Cost / Revaluation					Accumulated Depreciation							
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance	Transfers	Other movements	Carrying Value
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land													
Land	29 387 000	-	-		29 387 000		-		-	-	-	-	29 387 000
Quarries		-	-	-	-		-	-	-	-	-	-	-
	29 387 000	-	-	-	29 387 000	-	-	-	-	-	-	-	29 387 000
Buildings	11 136 000	645 956	-	-	11 781 956	236 101	371 200	-	-	607 301	-	-	11 174 655
Infrastructure													
Drains		-	-	-	-		-	-	-	-	-	-	-
Roads	9 674 931	879 043	-	-	10 553 974	5 223 424	322 567	-	-	5 545 991	-	-	5 007 983
Sewerage Mains & Purification		-	-	-	-		-	-	-	-	-	-	-
Electricity Mains		-	-	-	-		-	-	-	-	-	-	-
Electricity Peak Load Equip		-	-	-	-		-	-	-	-	-	-	-
Water Mains & Purification			-	-	-		-	-	-	-	-	-	-
Transfer Station	1 364 691	-	-	-	1 364 691	757 547	68 235	-	-	825 781	-	-	538 909
Water Meters		-	-	-	-		-	-	-	-	-	-	-
Storm Water	297 039	586 440	-	-	883 479	103 964	85 571	-	-	189 535	-	-	693 944
Under construction	1 034 471		-		1 034 471								1 034 471
	23 507 131	2 111 439	-	-	25 618 570	6 321 035	847 573	-	-	7 168 608	-	-	18 449 962
Community Assets													
Taxi Rank	1 329 008	-	-	-	1 329 008	446 287	66 450		-	512 737	-	-	816 271
Libraries		-	-	-	-		-	-	-	-	-	-	-
Recreation Grounds		-	-	-	-		-	-	-	-	-	-	-
Civic Buildings		-	-	-	-		-	-	-	-	-	-	-
Stadiums		-	-	-	-		-	-	-	-	-	-	-
Halls	3 870 559	3 144 988	-	-	7 015 547	77 668	190 572	-	-	268 241	-	-	6 747 307
Theatre		-	-	-	-		-	-	-	-	-	-	-
Swimming Pools		-	-	-	-		-	-	-	-	-	-	-
Cemeteries		-	-	-	-		-	-	-	-	-	-	-
	5 199 567	3 144 988	-	-	8 344 555	523 955	257 023	-	-	780 978	-	-	7 563 578
Heritage Assets													
Historical Buildings		-	-	-	-		-	-	-	-	-	-	-
Paintings & Artifacts		-	-	-	-		-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	58 093 698	5 256 427	-	-	63 350 125	6 844 991	1 104 595	-	-	7 949 586	-	-	55 400 539

KWASANI LOCAL MUNICIPALITY

APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2011

	Cost / Revaluation					Accumulated Depreciation							
	Opening	Additions	Disposals	Under	Closing	Opening	Depreciation	Disposals	Impairment	Closing	Transfers	Other movements	Carrying Value
	R	R	R	R	R	R	R	R	R	R	R	R	R
Total brought forward	58 093 698	5 256 427	-	-	63 350 125	6 844 991	1 104 595	-	-	7 949 586	-	-	55 400 539
Other Assets													-
Office Equipment	531 154	20 898		-	552 052	302 101	121 222	-	-	423 323	-	-	128 729
Furniture & Fittings	21 294	-		-	21 294	19 100	580		-	19 679	-	-	1 614
Bins and Containers		-	-	-	-		-	-	-	-	-	-	-
Emergency Equipment		-	-	-	-		-	-	-	-	-	-	-
Motor vehicles	1 548 562	161 959	-	-	1 710 521	348 740	205 205	-	-	553 945	-	-	1 156 576
Fire engines		-	-	-	-		-	-	-	-	-	-	-
Refuse tankers		-	-	-	-		-	-	-	-	-	-	-
Computer Equipment	10 912		-	-	10 912	10 912	-	-	-	10 912	-	-	-
Computer Software (part of computer equipment)		-	-	-	-		-	-	-	-	-	-	-
Plant & Equipment	356 571	-		-	356 571	283 380	17 667		-	301 047	-	-	55 524
	2 468 493	182 857	-	-	2 651 350	964 233	344 674	-	-	1 308 907	-	-	1 342 443
Finance Lease Assets													
Office Equipment	161 782	905 996	-	-	1 067 778	31 617	23 832	-		55 449	-	-	1 012 329
Other Assets		-	-	-	-		-	-	-	-	-	-	-
	161 782	905 996	-	-	1 067 778	31 617	23 832	-	-	55 449	-	-	1 012 329
Total	**60 723 973**	**6 345 279**	**-**	**-**	**67 069 253**	**7 840 840**	**1 473 102**	**-**	**-**	**9 313 942**	**-**	**-**	**57 755 311**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

KWASANI LOCAL MUNICIPALITY

APPENDIX D

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2012

2011	2011	2011		2012	2012	2012
Actual Income	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
R	R	R		R	R	R
6 652 669	11 230 068	(4 577 400)	Executive & Council	480 270	4 866 504	(4 386 234)
26 569 819	9 946 183	16 623 636	Finance & Admin	34 244 542	11 039 088	23 205 454
370 765	1 518 389	(1 147 624)	Planning & Development	416 514	2 458 737	(2 042 224)
-	-	-	Health	-	-	-
92 403	4 829 619	(4 737 216)	Community & Social Services	433 747	4 088 785	(3 655 038)
92 400	2 184 459	(2 092 059)	Public Safety	124 850	2 513 511	(2 388 661)
-	-	-	Sport & Recreation	-	-	-
-	-	-	Environmental Protection	-	-	-
1 873 470	2 003 343	(129 874)	Waste Management	1 553 999	3 216 159	(1 662 160)
86 593	729 176	(642 583)	Road Transport	98 604	1 179 281	(1 080 678)
-	-	-	Water	-	-	-
-	-	-	Electricity	-	-	-
-	536 792	(536 792)	Other	-	637 736	(637 736)
35 738 119	**32 978 030**	**2 760 089**		**37 352 525**	**29 999 803**	**7 352 722**
			Less: Inter-Department Charges			
35 738 119	**32 978 030**	**2 760 089**	Total	**37 352 525**	**29 999 803**	**7 352 722**

CURRENT ASSETS CURRENT LIABILITIES EXPENSES
PERFORMANCE POSITION
BIOLOGICAL ASSETS EMPLOYEE BENEFITS INTANGIBLE ASSETS
INVESTMENT PROPERTY HELDFORSALE OTHER ASSETS HELDFORSALE PROPERTY PLANT AND EQUIPMENT
CASH AND CASH EQUIVALENTS CONSTRUCTION CONTRACTS AND R CURRENT INVESTMENTS
BORROWINGS EMPLOYEE BENEFITS BORROWINGS FINANCE LEASE LIABILITY
BANK OVERDRAFT BORROWINGS CURRENT PORTION CONSUMER DEPOSITS
RESERVES
FINES GOVERNMENT GRANTS AND SUBSII INTEREST EARNED EXTERNAL INVES
BAD DEBTS BULK PURCHASES COLLECTION COST
GAIN LOSS ON SALE OF ASSETS IMPAIRMENT LOSS REVERSAL OF IN PROFIT LOSS ON FAIR VALUE ADJUS

BUILDINGS COMMUNITY ASSETS FINANCE LEASED ASSETS
INTANGIBLES
INVESTMENT PROPERTY FV INVESTMENT PROPERTY COST
BIOLOGICAL ASSETS BREAKDOWN
CAR LOANS HOUSING SELLING SCHEME L OTHER NON CURRENT RECEI
FIXED DEPOSITS LISTED INVESTMENTS OTHER INVESTMENTS
OTHER NON CURRENT FINANCIAL ASSETS
POST RETIREMENT DEFINED BENEFIT ASSET
PROPERTY PLANT AND EQUIPMENT
INVESTMENT PROPERTY
OTHER ASSETS
CURRENT PORTION CAR LOANS CURRENT PORTION HOUSING CURRENT PORTION OTHER N
CASH ON HAND OTHER BANK ACCOUNT PRIMARY BANK ACCOUNT
CONSUMER DEBTORS OTHER DEBTORS PROVISION FOR DOUBTFUL D
OTHER DEBTORS PROVISION FOR DOUBTFUL DEBTS
VAT RECEIVABLE
CONSTRUCTION CONTRACTS AND RECEIVABLES
CONSUMABLE STORES MAINTENANCE MATERIALS OTHER GOODS HELD FOR RE
PREPAID EXPENSES IF MATERIAL
CALL INVESTMENTS DEPOSITS
OTHER CURRENT FINANCIAL ASSETS
ANNUITY LOANS CURRENT PORTION ANNUITY CURRENT PORTION GOVERNI
MIG GRANTS NON CURRENT OTHER UNSPE NON CURRENT OTHER UNSPE
FINANCE LEASE LIABILITY
PROVISION FOR LONG SERVICE AW/ PROVISION FOR REHABILITATION OF LANDFILL SITES
POST RETIREMENT DEFINED BENEFIT OBLIGATION
OTHER NON CURRENT FINANCIAL LIABILITIES
CURRENT PORTION ANNUITY LOANS CURRENT PORTION GOVERNI CURRENT PORTION LOCAL RE
CURRENT OTHER UNSPENT CONDIT CURRENT UNSPENT CONDITI MIG GRANTS
CURRENT PORTION FINANCE LEASE LIABILITY
ELECTRICITY AND WATER INTEREST PAID
CURRENT BORROWINGS
TAXES AND TRANSFERS PAYABLE
CURRENT PORTION PROVISION FOR OTHER PROVISIONS PROVISIONS FOR BONUSES
CURRENT PORTION OTHER LONG TE OTHER LONG TERM EMPLOYEE BENEFITS
BANK OVERDRAFT
OTHER CURRENT FINANCIAL LIABILITIES
ACCRUED INTEREST OTHER CREDITORS PAYMENTS RECEIVED IN ADV
VAT PAYABLE
ACCUMULATED SURPLUS DEFICIT REVALUATION RESERVE
PR COMMERCIAL PR HEAVY INDUSTRIES PR LIGHT INDUSTRIES
COMMERCIAL HEAVY INDUSTRIES LIGHT INDUSTRIES
REFUSE REMOVAL SALE OF ELECTRICITY SALE OF WATER
OTHER RENTALS RENTAL OF EQUIPMENT RENTAL OF FACILITIES
EQUITABLE SHARE MIG GRANT OTHER GOVERNMENT GRANT
DONATIONS RECEIVED PUBLIC CONTRIBUTIONS
OTHER RECOVERY OF UNAUTHORISED IRREGULAR FRUITLESS ANI
EMPLOYEE RELATED COSTS CONTR EMPLOYEE RELATED COSTS HOUSING BENEFITS AND ALL
COUNCILLORS COUNCILLORS ALLOWANCES COUNCILLORS PENSION AND
BIOLOGICAL ASSETS CARRIED AT C DA INTANGIBLES DA PROPERTY PLANT AND EQ
FC BANK OVERDRAFT FC BORROWINGS FC CONSUMER DEPOSITS
BP ELECTRICITY BP WATER
ADMIN FEES ADVERTISING AUDIT FEES
GL BIOLOGICAL ASSETS GL INTANGIBLE ASSETS GL INVESTMENT PROPERTY
IL BIOLOGICAL ASSETS IL INTANGIBLE ASSETS IL INVESTMENT PROPERTY

FV BIOLOGICAL ASSETS CARRIED AT	FV INVESTMENT PROPERTY C	FV OTHER FINANCIAL ASSETS
WRITE DOWNS REVERSAL OF WRITE DOWNS TO NRV		
LAND	LANDFILL SITES	QUARRIES
BUILDINGS		
DRAINS	ELECTRICITY MAINS	ELECTRICITY PEAK LOAD EQU
CEMETERIES	CIVIC BUILDINGS	HALLS
HISTORICAL BUILDINGS	PAINTINGS AND ARTIFACTS	
BINS AND CONTAINERS	COMPUTER EQUIPMENT	COMPUTER SOFTWARE PART
OFFICE EQUIPMENT	OTHER ASSETS	
COMPUTER SOFTWARE	OTHER ASSETS	
DAIRY CATTLE	MAIZE	OTHER ASSETS
ELECTRICITY	REFUSE	SEWERAGE
ELECTRICITY	RATES	REFUSE
INSURANCE CLAIMS	OTHER	PREPAID EXPENSES IF NOT M
ANNUAL REMUNERATION	CAR AND OTHER ALLOWANCES	CONTRIBUTIONS TO UIF PENSION A
ANNUAL REMUNERATION	CAR AND OTHER ALLOWANCES	CONTRIBUTIONS TO UIF PENSION A
ANNUAL REMUNERATION	CAR AND OTHER ALLOWANCES	CONTRIBUTIONS TO UIF PENSION A
ANNUAL REMUNERATION	CAR AND OTHER ALLOWANCES	CONTRIBUTIONS TO UIF PENSION A
ANNUAL REMUNERATION	CAR AND OTHER ALLOWANCES	CONTRIBUTIONS TO UIF PENSION A
ANNUAL REMUNERATION	CAR AND OTHER ALLOWANCES	CONTRIBUTIONS TO UIF PENSION A
COMPUTER SOFTWARE	OTHER ASSETS	
BUILDINGS	COMMUNITY ASSETS	FINANCE LEASED ASSETS
INVESTMENT PROPERTY 1	INVESTMENT PROPERTY 2	
DAIRY CATTLE	MAIZE	OTHER ASSETS
LF COMPUTER LICENCES	LF VEHICLE LICENCES	
OTHER RENTALS	RENTAL OF COMPUTER EQUIPMENT	RENTAL OF OFFICE EQUIPMENT

MOVEMENT CURRENT	MOVEMENT NET ASSETS	MOVEMENT NON CURRENT
MOVEMENT PERFORMANCE		

ACCUMULATED AMORTISATION AMORTISAT	ACCUMULATED AMORTISATION CL	ACCUMULATED AMORTISATION DIS
ADDITIONS	BAD DEBTS WRITTEN OFF	CLOSING BALANCE
CLOSING BALANCE	OPENING BALANCE	OTHER MOVEMENTS
BINS AND CONTAINERS	BUILDINGS	CEMETERIES

NET ASSETS
NON CURRENT ASSETS
NON CURRENT ASSETS HEL

INVESTMENT PROPERTY
INVESTMENTS
NON CURRENT RECEIVABLE
HELDFORSALE
INVENTORIES
NON CURRENT RECEIVABLES CURRENT PORTION
OTHER CURRENT FINANCIA
NON CURRENT PROVISIONS
NON CURRENT UNSPENT CONDITIONAL GRANTS
OTHER NON CURRENT FINA
CURRENT BORROWINGS
CURRENT PORTION UNSPENT CONDITIONAL GR/
CURRENT PROVISIONS

INTEREST EARNED OUTSTANDING DEBTORS
LICENCES AND PERMITS
OTHER INCOME
CONTRACTED SERVICES
DEPRECIATION AND AMORTISATION
EMPLOYEE RELATED COST
WRITE DOWNS REVERSAL OF WRITE DOWNS TO NRV

HERITAGE ASSETS
INFRASTRUCTURE
LAND

STAFF LOANS

CURRENT PORTION STAFF LOANS
SAVINGS ACCOUNT
RENTAL DEBTORS

SPARE PARTS
WATER

CURRENT PORTION LOCAL REGISTERED STOCK
CURRENT PORTION OTHER BORROWIN(
GOVERNMENT LOANS
ENT CONDITIONAL GRANTS FROM OTHER SPHERES OF GOVERNMENT

CURRENT PORTION OTHER BORROWINGS

PROVISIONS FOR LEAVE

RETENTIONS
STAFF LEAVE ACCRUAL
TRADE CREDITORS

PR RESIDENTIAL
PR STATE
RESIDENTIAL
STATE
SEWERAGE AND SANITATION CHARGES

'S AND SUBSIDIES

D WASTEFUL EXPENDITURE
LONG SERVICE AWARDS
OTHER EMPLOYEE RELATED COST
OVERTIME PAYMENTS
DEPUTY EXECUTIVE MAJOR
EXECUTIVE COMMITTEE MEMBERS
EXECUTIVE MAJOR
INVESTMENT PROPERTY CARRIED AT COST

BANK CHARGES
BURSARIES
CLEANING
GL OTHER FINANCIAL ASSETS
GL PROPERTY PLANT AND EQUIPMENT
IL OTHER FINANCIAL ASSETS
IL PROPERTY PLANT AND EQUIPMENT

FV OTHER FINANCIAL LIABILITIES

RESERVOIRS WATER	ROADS	SEWERAGE MAINS ANI
LIBRARIES	PARKS AND GARDENS	RECREATION GROUNI
EMERGENCY EQUIPMENT	FIRE ENGINES	FURNITURE AND FITTII
PIGS	SHEEP	TREES IN PLANTATION
WATER		
SEWERAGE	WATER	
RATES	ROAD REINSTATEMENTS	SUBSIDIES
PERFORMANCE AND OTHER BONUSES	TRAVEL MOTOR VEHICLE ACCOMMODATION SUBSISTENCE AND OTHER ALLC	
PERFORMANCE AND OTHER BONUSES	TRAVEL MOTOR VEHICLE ACCOMMODATION SUBSISTENCE AND OTHER ALLC	
PERFORMANCE AND OTHER BONUSES	TRAVEL MOTOR VEHICLE ACCOMMODATION SUBSISTENCE AND OTHER ALLC	
PERFORMANCE AND OTHER BONUSES	TRAVEL MOTOR VEHICLE ACCOMMODATION SUBSISTENCE AND OTHER ALLC	
PERFORMANCE AND OTHER BONUSES	TRAVEL MOTOR VEHICLE ACCOMMODATION SUBSISTENCE AND OTHER ALLC	
PERFORMANCE AND OTHER BONUSES	TRAVEL MOTOR VEHICLE ACCOMMODATION SUBSISTENCE AND OTHER ALLC	
HERITAGE ASSETS	INFRASTRUCTURE	LAND
PIGS	SHEEP	TREES IN PLANTATION

ACCUMULATED DEPRECIATION CLOSING BALANCE	ACCUMULATED DEPRECIATION DEPRECIATION	ACCUMULATED DEPRECIAT
CONTRIBUTIONS TO PROVISION	EXPENDITURE INCURRED	INCREASE IN PROVISION DU
SURPLUS DEFICIT FOR THE YEAR	TRANSFERS FROM RESERVE	TRANSFERS TO RESERVE
CIVIC BUILDINGS	COMPUTER EQUIPMENT	COMPUTER SOFTWARE

NON CURRENT LIABILITIES OTHER REVENUE

OTHER NON CURRENT FINA PROPERTY PLANT AND EQUIPMENT

OTHER RECEIVABLES FROM PREPAYMENTS TRADE AND OTHER RECEIV VAT RECEIVABLE
NCIAL LIABILITIES
EMPLOYEE BENEFITS CURR FINANCE LEASE LIABILITY C OTHER CURRENT FINANCIA TAXES AND TRANSFERS PA TRADE AND OTHER PAYABL

PROPERTY RATES PROPERTY RATES PENALTIE PUBLIC CONTRIBUTIONS AN RENTAL OF FACILITIES AND SERVICE CHARGES
FINANCE COSTS GENERAL EXPENSES GRANTS AND SUBSIDIES PA REMUNERATION OF COUN REPAIRS AND MAINTENANC

OTHER ASSETS PPE

LOCAL REGISTERED S OTHER BORROWINGS

PERFORMANCE AND C REMUNERATION OF CI REMUNERATION OF E REMUNERATION OF E REMUNERATION OF E
SPEAKER

CONFERENCES AND D CONNECTION CHARGE CONSULTANT FEES CONSUMABLES DEBT COLLECTION CO

STORM WATER UNDER CONSTRUCTION WATER MAINS AND PU WATER METERS
STADIUMS SWIMMING POOLS THEATRE

MOTOR VEHICLES OFFICE EQUIPMENT OTHER ASSETS REFUSE TANKERS

WHEAT

UNAUTHORIZED EXPENDITURE
)WANCES
)WANCES
)WANCES
)WANCES
)WANCES
)WANCES

OTHER ASSETS PPE

WHEAT

COST REVALUATION ADDIT COST REVALUATION CLOSII COST REVALUATION DISPO COST VALUATION ADDITIOI COST VALUATION CLOSING
REVERSAL OF PROVISION TRANSFERS FROM NON CU TRANSFERS TO CURRENT WRITE DOWNS REVERSAL OF WRITE DOWNS TO NRV

COMPUTER SOFTWARE PAI DRAINS ELECTRICITY MAINS ELECTRICITY PEAK LOAD EQ EMERGENCY EQUIPMENT

VAT PAYABLE

:E

REMUNERATION OF MI TRAVEL MOTOR VEHICLE ACCOMMODATION SUBSISTENCE AND OTHER ALLOWANCES

DEPARTMENTAL CONS ENTERTAINMENT FINANCIAL MANAGEMENT FUEL AND OIL INSURANCE

COST VALUATION DISPOSA	DECREASE DUE TO HARVES	FAIR VALUE ADDITIONS	FAIR VALUE ADJUSTMENT	FAIR VALUE CLOSING BALA
FIRE ENGINES	FURNITURE AND FITTINGS	HALLS	HISTORICAL BUILDINGS	LANDFILL SITES

LEGAL EXPENSES LEVIES PAID LICENCE FEES MEMBERSHIP FEES OTHER GENERAL EXPI

FAIR VALUE DISPOSALS	GAINS LOSSES FROM CHAN	IMPAIRMENT LOSS REVERS	OTHER MOVEMENTS	TRANSFERS
LIBRARIES	MOTOR VEHICLES	OFFICE EQUIPMENT	OFFICE EQUIPMENT	OTHER ASSETS

PARKING POSTAGE PRINTING AND STATIO PROFESSIONAL FEES RENTAL OF BUILDINGS

UNDER CONSTRUCTION

PAINTINGS AND ARTIFACTS PARKS AND GARDENS QUARRIES RECREATION GROUNDS REFUSE TANKERS

RENTAL OF EXTERNAL SECURITY COSTS SEWERAGE TREATMEI SKILLS DEVELOPMENT STOCKS AND MATERIA

RESERVOIRS WATER ROADS SEWERAGE MAINS AND PU STADIUMS STORM WATER

SUBSCRIPTION AND PI TELEPHONE COSTS TRAINING TRANSPORT CLAIMS TRAVEL AND SUBSISTI

SWIMMING POOLS THEATRE WATER MAINS AND PURIFI WATER METERS

UNIFORMS AND OVER/ VALUATION COST WATER AND SANITATION